



FINANCIAL SUPPLEMENT TO FOURTH QUARTER AND YEAR END 2006  
EARNINGS RELEASE

**Summary**

**Quarterly earnings of \$0.56 per diluted share (GAAP), or \$0.65 per diluted share excluding merger charges (non-GAAP - see page 17 for additional details)**

- Primary drivers of earnings include strong net interest income, solid loan growth, Morgan Keegan, and strong credit quality
- Quarterly results include partial quarter impact from AmSouth merger, which closed November 4, 2006
- **Prior period financial information reflects only legacy Regions' financial results**

**Regions/AmSouth merger on track and meeting or exceeding goals**

- Planning complete and execution underway
- Divestiture of 52 branches expected to be completed by end of 1Q07
- Mortgage and brokerage conversions scheduled for 1Q07
- Expenses impacted by \$87.6 million of pre-tax merger charges during the quarter
- Cost saves of approximately \$6.6 million realized in 4Q06
  - Primarily personnel-related expenses
  - Regions continues to expect realization of \$150 million in net pre-tax cost saves during 2007

**Strong fourth quarter 2006 revenues driven by net interest income and Morgan Keegan**

- Total FTE revenue of \$1.7 billion in 4Q06
- Quarterly net interest margin of 4.10%

**Banking franchise performs well during quarter**

- Loan demand and production was solid and strongest in commercial lending
- Deposit mix shift began to stabilize and late quarter trends indicated steady levels of deposits as well

**Morgan Keegan has record year of profits and revenues**

- Profits increased 49% in 2006 (42% excluding the impact of the AmSouth transaction) to \$151.1 million vs. 2005 and were up 53% linked-quarter (31% excluding the impact of AmSouth)
- Revenues of \$307.5 million in 4Q06 and \$1.0 billion for the year ended December 31, 2006, up respective 46% and 27% (31% and 23% excluding AmSouth) annually

**Challenging mortgage banking environment continues**

- Total origination volume of \$4.9 billion in 4Q06 (including \$469 million from AmSouth operations) compared to \$4.0 billion in 3Q06
- Recorded MSR impairment of \$27.0 million (\$0.03 per diluted share, after tax) in 4Q06

**Credit quality remains strong**

- Net charge-offs of \$56.1 million, or an annualized 0.27% of average loans, including \$11.0 million related to conforming credit policies
- Non-performing assets of \$379.1 million, or 0.40% of loans and other real estate at December 31, 2006
- Allowance for credit losses as a percentage of loans was 1.17% at December 31, 2006

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 FOURTH QUARTER AND YEAR END 2006 EARNINGS RELEASE  
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**Regions Financial Corporation and Subsidiaries**  
**Consolidated Statements of Condition (1)**  
**(Unaudited)**

(\$ amounts in thousands)

	12/31/06	9/30/06	6/30/06	3/31/06	12/31/05
<b>Assets:</b>					
Cash and due from banks	\$3,550,742	\$2,055,137	\$2,304,934	\$2,059,251	\$2,414,560
Interest-bearing deposits in other banks	270,601	38,981	31,565	37,049	92,098
Federal funds sold and securities purchased under agreement to resell	896,075	913,076	733,476	869,117	710,282
Trading account assets	1,442,994	1,438,427	1,056,434	1,119,854	992,082
Securities available for sale	18,514,332	12,425,555	11,758,035	11,823,198	11,947,810
Securities held to maturity	47,728	30,033	29,983	30,591	31,464
Loans held for sale	3,308,064	1,824,687	2,281,372	1,547,840	1,531,664
Loans held for sale - divestitures	1,612,237	-	-	-	-
Margin receivables	570,063	581,558	576,616	563,202	527,317
Loans, net of unearned income	94,550,602	59,477,905	59,130,632	58,460,211	58,404,913
Allowance for loan losses	(1,055,953)	(778,465)	(777,783)	(782,368)	(783,536)
Net loans	93,494,649	58,699,440	58,352,849	57,677,843	57,621,377
Premises and equipment	2,398,494	1,097,616	1,109,732	1,109,587	1,122,289
Interest receivable	666,410	456,978	407,811	402,072	420,818
Excess purchase price	11,279,480	4,967,799	4,996,028	4,987,770	5,027,044
Mortgage servicing rights (MSRs)	374,871	407,740	420,322	413,672	412,008
Other identifiable intangible assets	957,834	287,437	295,588	304,008	314,368
Other assets	3,984,447	1,755,627	1,708,041	1,649,464	1,620,419
<b>Total Assets</b>	<b>\$143,369,021</b>	<b>\$86,980,091</b>	<b>\$86,062,786</b>	<b>\$84,594,518</b>	<b>\$84,785,600</b>
<b>Liabilities and Stockholders' Equity:</b>					
<b>Deposits:</b>					
Non-interest-bearing	\$20,175,482	\$12,570,051	\$13,158,707	\$13,328,143	\$13,699,038
Non-interest-bearing - divestitures	533,295	-	-	-	-
Interest-bearing	78,281,120	49,599,494	48,246,119	47,191,336	46,679,329
Interest-bearing - divestitures	2,238,072	-	-	-	-
<b>Total deposits</b>	<b>101,227,969</b>	<b>62,169,545</b>	<b>61,404,826</b>	<b>60,519,479</b>	<b>60,378,367</b>
<b>Borrowed funds:</b>					
<b>Short-term borrowings:</b>					
Federal funds purchased and securities sold under agree- ment to repurchase	7,676,254	4,943,568	4,770,538	3,900,737	3,928,185
Other short-term borrowings	1,240,817	1,368,480	958,048	995,312	1,038,094
<b>Total short-term borrowings</b>	<b>8,917,071</b>	<b>6,312,048</b>	<b>5,728,586</b>	<b>4,896,049</b>	<b>4,966,279</b>
Long-term borrowings	9,392,649	5,490,404	6,293,372	6,621,710	6,971,680
<b>Total borrowed funds</b>	<b>18,309,720</b>	<b>11,802,452</b>	<b>12,021,958</b>	<b>11,517,759</b>	<b>11,937,959</b>
Other liabilities	3,129,878	1,965,191	1,937,643	1,900,495	1,854,991
<b>Total Liabilities</b>	<b>122,667,567</b>	<b>75,937,188</b>	<b>75,364,427</b>	<b>73,937,733</b>	<b>74,171,317</b>
<b>Stockholders' equity:</b>					
Common stock	7,303	4,813	4,787	4,778	4,738
Additional paid in capital	16,339,726	7,466,180	7,393,185	7,360,704	7,248,855
Undivided profits	4,493,245	4,547,845	4,355,306	4,169,678	4,034,905
Treasury stock	(7,548)	(888,282)	(833,633)	(708,593)	(581,890)
Accumulated other comprehensive loss	(131,272)	(87,653)	(221,286)	(169,782)	(92,325)
<b>Total Stockholders' Equity</b>	<b>20,701,454</b>	<b>11,042,903</b>	<b>10,698,359</b>	<b>10,656,785</b>	<b>10,614,283</b>
<b>Total Liabilities &amp; SE</b>	<b>\$143,369,021</b>	<b>\$86,980,091</b>	<b>\$86,062,786</b>	<b>\$84,594,518</b>	<b>\$84,785,600</b>

(1) Regions Financial Corporation and AmSouth Bancorporation merged effective November 4, 2006. The merger was accounted for as a purchase of AmSouth by Regions. As a result, periods ending prior to November 4, 2006, reflect legacy Regions data on a stand-alone basis.

**Regions Financial Corporation and Subsidiaries**  
**Consolidated Statements of Income (1)**  
**(Unaudited)**

(\$ amounts in thousands, except per share amounts,

	Quarter Ended				
	12/31/06	9/30/06	6/30/06	3/31/06	12/31/05
Interest income:					
Interest and fees on loans	\$ 1,563,558	\$1,106,807	\$1,047,843	\$992,523	\$953,903
Interest on securities:					
Taxable interest income	200,917	143,118	130,979	131,651	126,070
Tax-exempt interest income	9,807	7,852	7,904	8,116	7,706
Total interest on securities	210,724	150,970	138,883	139,767	133,776
Interest on loans held for sale	70,200	45,416	47,261	33,882	37,798
Interest on federal funds sold and securities purchased under agreement to resell	15,877	13,505	11,573	10,490	6,653
Interest on trading account assets	22,608	12,519	9,558	9,853	8,363
Interest on margin receivables	9,576	9,767	9,525	8,673	8,283
Interest on time deposits in other banks	1,376	637	343	544	384
Total interest income	1,893,919	1,339,621	1,264,986	1,195,732	1,149,160
Interest expense:					
Interest on deposits	597,255	411,178	357,026	314,708	292,886
Interest on short-term borrowings	102,984	66,315	56,065	50,133	44,950
Interest on long-term borrowings	123,199	84,429	89,360	88,164	85,411
Total interest expense	823,438	561,922	502,451	453,005	423,247
Net interest income	1,070,481	777,699	762,535	742,727	725,913
Provision for loan losses	60,000	25,000	30,000	27,500	40,000
Net interest income after provision for loan losses	1,010,481	752,699	732,535	715,227	685,913
Non-interest income:					
Brokerage and investment banking	207,676	144,093	158,865	166,793	140,255
Service charges on deposit accounts	195,838	150,078	147,272	128,529	129,992
Trust department income	43,531	36,366	35,730	34,555	30,847
Mortgage servicing and origination fees	32,907	33,296	34,270	32,698	33,651
Securities gains (losses), net	(20)	8,104	28	11	(17,609)
Other	155,395	94,012	114,546	107,531	105,649
Total non-interest income	635,327	465,949	490,711	470,117	422,785
Non-interest expense:					
Salaries and employee benefits	620,788	413,719	441,475	447,008	436,965
Net occupancy expense	92,306	54,012	53,772	59,888	56,558
Furniture and equipment expense	60,433	33,838	33,942	34,083	34,171
(Recapture) impairment of MSR's	27,000	8,000	(10,000)	(9,000)	(18,000)
Other	316,304	205,024	207,324	224,115	244,342
Total non-interest expense (2)	1,116,831	714,593	726,513	756,094	754,036
Income before income taxes	528,977	504,055	496,733	429,250	354,662
Applicable income taxes	167,426	152,398	151,476	134,570	100,666
Net income	\$361,551	\$351,657	\$345,257	\$294,680	\$253,996
Weighted-average shares outstanding-- during quarter:					
Basic (3)	638,830	454,441	455,528	456,442	457,193
Diluted (3)	646,372	458,903	460,131	461,043	461,651
Actual shares outstanding-- end of quarter (3)	730,076	455,067	454,034	456,701	456,348
Per Share:					
Net income - basic	\$0.57	\$0.77	\$0.76	\$0.65	\$0.56
Net income - diluted	\$0.56	\$0.77	\$0.75	\$0.64	\$0.55
Cash dividends paid (4)	\$0.35	\$0.35	\$0.35	\$0.35	\$0.34
Taxable equivalent net interest income	\$1,104,421	\$806,260	\$791,268	\$766,682	\$748,642

- (1) Regions Financial Corporation and AmSouth Bancorporation merged effective November 4, 2006. The merger was accounted for as a purchase of AmSouth by Regions. As a result, periods ending prior to November 4, 2006, reflect legacy Regions data on a stand-alone basis.
- (2) Merger-related charges totaled \$87.6 million in fourth quarter 2006 and are included in non-interest expense. See pages 11 and 17 for additional detail.
- (3) On November 4, 2006, 277 million shares were issued in the AmSouth transaction; as a result, the weighted-average shares outstanding calculation includes approximately one month of pre-AmSouth merger sharecount and two months of post-AmSouth merger sharecount.
- (4) In 4Q06, in addition to the dividend paid, the Board of Directors declared a \$0.36 per share dividend payable January 2, 2007 representing an acceleration of Regions' previously existing dividend schedule beginning with the 2007 dividends paid.

**Regions Financial Corporation and Subsidiaries**  
**Consolidated Statements of Income (1)**  
**(Unaudited)**

(\$ amounts in thousands, except per share amounts,

	Year Ended December 31	
	2006	2005
<b>Interest income:</b>		
Interest and fees on loans	\$ 4,710,731	\$ 3,546,767
<b>Interest on securities:</b>		
Taxable interest income	606,665	498,666
Tax-exempt interest income	33,679	28,800
Total interest on securities	640,344	527,466
Interest on loans held for sale	196,759	149,167
Interest on federal funds sold and securities purchased under agreement to resell	51,445	19,301
Interest on trading account assets	54,538	36,596
Interest on margin receivables	37,541	29,173
Interest on time deposits in other banks	2,900	1,905
Total interest income	5,694,258	4,310,375
<b>Interest expense:</b>		
Interest on deposits	1,680,167	1,004,727
Interest on short-term borrowings	275,497	164,816
Interest on long-term borrowings	385,152	320,213
Total interest expense	2,340,816	1,489,756
Net interest income	3,353,442	2,820,619
Provision for loan losses	142,500	165,000
Net interest income after provision for loan losses	3,210,942	2,655,619
<b>Non-interest income:</b>		
Brokerage and investment banking	677,427	548,662
Service charges on deposit accounts	621,717	518,388
Trust department income	150,182	127,766
Mortgage servicing and origination fees	133,171	145,304
Securities gains (losses), net	8,123	(18,892)
Other	471,484	492,204
Total non-interest income	2,062,104	1,813,432
<b>Non-interest expense:</b>		
Salaries and employee benefits	1,922,990	1,739,017
Net occupancy expense	259,978	224,073
Furniture and equipment expense	162,296	132,776
(Recapture) impairment of MSR's	16,000	(32,000)
Other	952,767	983,090
Total non-interest expense (2)	3,314,031	3,046,956
Income before income taxes	1,959,015	1,422,095
Applicable income taxes	605,870	421,551
Net income	\$ 1,353,145	\$ 1,000,544
<b>Weighted-average shares outstanding--</b>		
<b>during quarter:</b>		
Basic (3)	501,681	461,171
Diluted (3)	506,989	466,183
<b>Actual shares outstanding--</b>		
<b>end of year (3)</b>		
	730,076	456,348
<b>Per Share:</b>		
Net income - basic	\$2.70	\$2.17
Net income - diluted	\$2.67	\$2.15
Cash dividends paid (4)	\$1.40	\$1.36
Taxable equivalent net interest income	\$3,468,633	\$2,906,071

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(4) In 4Q06, in addition to the dividend paid, the Board of Directors declared a \$0.36 per share dividend payable January 2, 2007 representing an acceleration of Regions' previously existing dividend schedule beginning with the 2007 dividends paid.

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FOURTH QUARTER AND YEAR END 2006 EARNINGS RELEASE  
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**Regions Financial Corporation and Subsidiaries**  
**Consolidated Average Daily Balances and Yield/Rate Analysis (1)**

(\$ amounts in thousands; yields on taxable equivalent basis)

	Quarter Ended														
	12/31/06			9/30/06			6/30/06			3/31/06			12/31/05		
	Average Balance	Revenue/ Expense	Yield/ Rate	Average Balance	Revenue/ Expense	Yield/ Rate	Average Balance	Revenue/ Expense	Yield/ Rate	Average Balance	Revenue/ Expense	Yield/ Rate	Average Balance	Revenue/ Expense	Yield/ Rate
<b>Assets</b>															
<b>Earning assets:</b>															
Interest-bearing deposits															
in other banks	\$125,467	\$1,376	4.35%	\$41,821	\$637	6.04%	\$38,825	\$343	3.54%	\$52,400	\$544	4.21%	\$58,311	\$384	2.61%
Federal funds sold and securities purchased under agreement to resell	1,098,535	15,878	5.73%	937,005	13,504	5.72%	871,206	11,573	5.33%	936,243	10,490	4.54%	687,208	6,653	3.84%
Trading account assets	1,419,868	23,168	6.47%	1,130,260	12,667	4.45%	969,137	9,583	3.97%	924,044	10,324	4.53%	849,974	8,748	4.08%
<b>Securities:</b>															
Taxable	16,263,163	201,354	4.91%	11,612,748	143,483	4.90%	11,175,675	131,364	4.71%	11,462,264	131,969	4.67%	11,377,852	126,525	4.41%
Tax-exempt	648,747	14,540	8.89%	397,160	12,003	11.99%	406,340	12,074	11.92%	426,119	12,344	11.75%	464,238	11,769	10.06%
Loans held for sale	2,689,490	50,113	7.39%	2,263,608	45,416	7.96%	2,355,875	47,261	8.05%	1,828,232	33,882	7.52%	2,082,891	37,798	7.20%
Loans held for sale-divestitures	1,042,964	20,087	7.64%	-	-	-	-	-	-	-	-	-	-	-	-
Margin receivables	540,805	9,576	7.03%	553,946	9,767	7.00%	557,148	9,525	6.86%	534,978	8,673	6.57%	546,389	8,283	6.01%
Loans, net of unearned income	83,058,620	1,591,768	7.60%	59,111,355	1,130,704	7.59%	58,489,995	1,071,997	7.35%	58,191,512	1,011,461	7.05%	58,047,052	971,729	6.64%
<b>Total earning assets</b>	<b>106,887,659</b>	<b>\$1,927,860</b>	<b>7.16%</b>	<b>76,047,903</b>	<b>\$1,368,181</b>	<b>7.14%</b>	<b>74,864,201</b>	<b>\$1,293,720</b>	<b>6.93%</b>	<b>74,355,792</b>	<b>\$1,219,687</b>	<b>6.65%</b>	<b>74,113,915</b>	<b>\$1,171,889</b>	<b>6.27%</b>
Allowance for loan losses	(985,310)			(780,715)			(781,282)			(785,847)			(779,144)		
Cash and due from banks	2,605,261			1,959,441			2,016,715			2,029,747			2,083,756		
Other non-earning assets	16,070,226			9,749,193			9,776,953			9,838,032			9,725,428		
	<u>\$124,577,836</u>			<u>\$86,975,822</u>			<u>\$85,876,587</u>			<u>\$85,437,724</u>			<u>\$85,143,955</u>		
<b>Liabilities and Stockholders' Equity</b>															
<b>Interest-bearing liabilities:</b>															
Savings accounts	\$3,572,985	\$3,097	0.34%	\$2,988,548	\$3,053	0.41%	\$3,155,230	\$3,357	0.43%	\$3,100,922	\$2,849	0.37%	\$2,976,913	\$2,708	0.36%
Interest-bearing transaction accounts	6,157,620	36,960	2.38%	1,917,648	10,934	2.26%	2,158,034	11,491	2.14%	2,272,440	11,062	1.97%	2,530,011	12,579	1.97%
Money market accounts	25,878,171	185,203	2.84%	20,144,394	129,949	2.56%	19,759,267	112,716	2.29%	19,873,074	100,000	2.04%	19,522,227	86,574	1.76%
Certificates of deposit of \$100,000 or more	12,045,318	142,757	4.70%	8,297,133	97,633	4.67%	7,650,843	82,214	4.31%	7,383,192	72,240	3.97%	7,873,050	72,501	3.65%
Other interest-bearing deposit accounts	20,610,566	217,264	4.18%	15,875,539	169,610	4.24%	15,067,677	147,248	3.92%	14,442,354	128,557	3.61%	14,081,524	118,524	3.34%
Interest-bearing deposits - divestitures	1,450,645	11,974	3.27%	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total interest-bearing deposits</b>	<b>69,715,305</b>	<b>597,255</b>	<b>3.40%</b>	<b>49,223,262</b>	<b>411,179</b>	<b>3.31%</b>	<b>47,791,051</b>	<b>357,026</b>	<b>3.00%</b>	<b>47,071,982</b>	<b>314,708</b>	<b>2.71%</b>	<b>46,983,725</b>	<b>292,886</b>	<b>2.47%</b>
Federal funds purchased and securities sold under agreement to repurchase	7,333,018	87,816	4.75%	4,806,594	56,898	4.70%	4,301,848	47,213	4.40%	4,176,546	41,281	4.01%	4,202,647	37,963	3.58%
Other short-term borrowings	1,539,329	15,169	3.91%	927,313	9,416	4.03%	886,953	8,852	4.00%	999,141	8,852	3.59%	886,991	6,987	3.13%
Long-term borrowings	8,159,959	123,199	5.99%	5,810,710	84,428	5.76%	6,589,755	89,361	5.44%	6,859,167	88,164	5.21%	7,124,742	85,411	4.76%
<b>Total interest-bearing liabilities</b>	<b>86,747,611</b>	<b>\$823,439</b>	<b>3.77%</b>	<b>60,767,879</b>	<b>\$561,921</b>	<b>3.67%</b>	<b>59,569,607</b>	<b>\$502,452</b>	<b>3.38%</b>	<b>59,106,836</b>	<b>\$453,005</b>	<b>3.11%</b>	<b>59,198,105</b>	<b>\$423,247</b>	<b>2.84%</b>
Non-interest-bearing deposits	17,535,467			12,482,899			12,882,910			12,926,748			12,871,222		
Other liabilities	3,108,830			2,847,404			2,754,398			2,717,892			2,518,080		
Stockholders' equity	17,185,928			10,877,640			10,669,672			10,686,248			10,556,548		
	<u>\$124,577,836</u>			<u>\$86,975,822</u>			<u>\$85,876,587</u>			<u>\$85,437,724</u>			<u>\$85,143,955</u>		
Net yield on interest earning assets			4.10%			4.21%			4.24%			4.18%			4.01%

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**Regions Financial Corporation and Subsidiaries**  
**Consolidated Average Daily Balances and Yield/Rate Analysis (1)**

(\$ amounts in thousands; yields on taxable equivalent basis)

	Year Ended December 31					
	2006			2005		
	Average Balance	Revenue/Expense	Yield/Rate	Average Balance	Revenue/Expense	Yield/Rate
<b>Assets</b>						
Earning assets:						
Interest-bearing deposits in other banks	\$64,766	\$2,900	4.48%	\$81,575	\$1,905	2.34%
Federal funds sold and securities purchased under agreement to resell	961,127	51,445	5.35%	615,222	19,301	3.14%
Trading account assets	1,112,239	55,741	5.01%	829,546	38,319	4.62%
Securities:						
Taxable securities	12,638,833	608,171	4.81%	11,660,508	500,666	4.29%
Tax-exempt	470,003	50,961	10.84%	499,666	43,862	8.78%
Loans held for sale	2,286,604	176,672	7.73%	2,162,767	149,167	6.90%
Loans held for sale-divestitures	262,884	20,087	7.64%	-	-	-
Margin receivables	546,755	37,541	6.87%	533,742	29,173	5.47%
Loans, net of unearned income	64,765,653	4,805,931	7.42%	58,002,167	3,613,434	6.23%
Total earning assets	83,108,864	5,809,449	6.99%	74,385,193	4,395,827	5.91%
Allowance for loan losses	(833,691)			(765,853)		
Cash and due from banks	2,153,838			1,961,894		
Other non-earning assets	11,371,266			9,515,233		
	<u>\$95,800,277</u>			<u>\$85,096,467</u>		
<b>Liabilities and Stockholders' Equity</b>						
Interest-bearing liabilities:						
Savings accounts	\$3,205,123	\$12,356	0.39%	\$2,926,512	\$7,992	0.27%
Interest-bearing transaction accounts	3,133,768	70,447	2.25%	2,873,955	52,842	1.84%
Money market accounts	21,426,701	527,868	2.46%	19,043,326	249,589	1.31%
Certificates of deposit of \$100,000 or more	8,855,396	394,844	4.46%	8,049,384	255,787	3.18%
Other interest-bearing deposit accounts	16,514,223	662,678	4.01%	14,662,901	438,517	2.99%
Interest-bearing deposits - divestitures	365,642	11,974	3.27%	-	-	-
Total interest-bearing deposits	53,500,853	1,680,167	3.14%	47,556,078	1,004,727	2.11%
Federal funds purchased and securities sold under agreement to repurchase	5,162,196	233,208	4.52%	4,462,774	130,666	2.93%
Other short-term borrowings	1,089,223	42,289	3.88%	1,054,803	34,150	3.24%
Long-term borrowings	6,855,601	385,152	5.62%	7,175,075	320,213	4.46%
Total interest-bearing liabilities	66,607,873	2,340,816	3.51%	60,248,730	1,489,756	2.47%
Non-interest bearing deposits	13,965,594			12,156,817		
Other liabilities	2,858,178			2,013,089		
Stockholders' equity	12,368,632			10,677,831		
	<u>\$95,800,277</u>			<u>\$85,096,467</u>		
Net yield on interest-earning assets			4.17%			3.91%

**Regions Financial Corporation and Subsidiaries**  
**Allowance for Credit Losses**

(\$ amounts in thousands)

	Year Ended December 31	
	2006	2005
Balance at beginning of year	\$783,536	\$754,721
Net loans charged off:		
Commercial	75,646	77,223
Real Estate - Mortgage	38,879	34,436
Real Estate - Construction	233	263
Consumer	25,183	24,263
Total	139,941	136,185
Allowance of purchased institutions at acquisition	335,833	-
Allowance allocated to sold loans	(14,140)	-
Provision for loan losses charged to expense	142,500	165,000
Balance at end of year	<u>\$1,107,788</u>	<u>\$783,536</u>
Components:		
Allowance for loans and leases losses	\$1,055,953	\$783,536
Reserve for unfunded credit commitments	51,835	-
Allowance for credit losses	<u>\$1,107,788</u>	<u>\$783,536</u>

(1) Regions Financial Corporation and AmSouth Bancorporation merged effective November 4, 2006. The merger was accounted for as a purchase of AmSouth by Regions. As a result, periods ending prior to November 4, 2006, reflect legacy Regions data on a stand-alone basis.

**Regions Financial Corporation and Subsidiaries**  
**Selected Ratios (1)**

	As of and for Quarter Ended				12/31/05
	12/31/06	9/30/06	6/30/06	3/31/06	
Return on average assets*	1.15%	1.60%	1.61%	1.40%	1.18%
<i>Return on average assets* excluding merger-related charges (2,</i>	1.34%	1.60%	1.61%	1.40%	1.32%
Return on average equity*	8.35%	12.83%	12.98%	11.18%	9.55%
<i>Return on average equity excluding merger-related charges (2,</i>	9.72%	12.83%	12.98%	11.18%	10.65%
Return on average tangible equity*	19.59%	24.93%	25.73%	22.32%	19.34%
<i>Return on average tangible eq. excluding merger-related charges (2,</i>	22.80%	24.93%	25.73%	22.32%	21.58%
Stockholders' equity per share	\$28.36	\$24.27	\$23.56	\$23.33	\$23.26
Stockholders' equity to total assets	14.44%	12.70%	12.43%	12.60%	12.52%
Tangible stockholders' equity to tangible assets	6.45%	7.08%	6.69%	6.77%	6.64%
Allowance for credit losses as a percentage of loans, net of unearned income (3)	1.17%	1.31%	1.32%	1.34%	1.34%
Allowance for loan losses as a percentage of loans, net of unearned income	1.12%	1.31%	1.32%	1.34%	1.34%
Net interest margin (FTE)	4.10%	4.21%	4.24%	4.18%	4.01%
Loans, net of unearned income, to total deposits	93.40%	95.67%	96.30%	96.60%	96.73%
Net charge-offs as a percentage of average loans*	0.27%	0.16%	0.21%	0.20%	0.28%
Total non-performing assets (excluding loans 90 days past due) as a percentage of loans and other real estate	0.40%	0.52%	0.54%	0.70%	0.70%
Total non-performing assets (including loans 90 days past due) as a percentage of loans and other real estate	0.55%	0.66%	0.67%	0.86%	0.85%

\*Annualized

- (1) Regions Financial Corporation and AmSouth Bancorporation merged effective November 4, 2006. The merger was accounted for as a purchase of AmSouth by Regions. As a result, periods ending prior to November 4, 2006, reflect legacy Regions data on a stand-alone basis.
- (2) Non-GAAP measurement; See page 17 for reconciliation to GAAP Financial Measures.
- (3) The allowance for credit losses reflects the allowance related to both loans on the balance sheet and exposure related to unfunded commitments and standby letters of credit.

**Loans (1)**

<b>Loan Portfolio - Period End Data</b>					
<i>(\$ amounts in thousands)</i>					
	12/31/06	9/30/06	6/30/06	3/31/06	12/31/05
Commercial	\$ 24,145,411	\$ 16,155,841	\$ 15,840,510	\$ 14,883,254	\$ 14,728,006
Real Estate- Mortgage	38,622,197	25,972,339	26,303,946	26,926,297	27,034,924
Real Estate- Construction	14,121,030	8,730,822	8,162,479	7,700,465	7,362,219
Equity Lines of Credit	11,485,436	5,091,891	5,299,424	5,417,680	5,533,299
Indirect Lending	4,037,539	1,324,017	1,344,853	1,320,304	1,354,897
Other Consumer	2,138,989	2,202,995	2,179,420	2,212,211	2,391,568
	<b>\$ 94,550,602</b>	<b>\$ 59,477,905</b>	<b>\$ 59,130,632</b>	<b>\$ 58,460,211</b>	<b>\$ 58,404,913</b>

<b>Loan Portfolio - Average Balances</b>					
<i>(\$ amounts in thousands)</i>					
	4Q06	3Q06	2Q06	1Q06	4Q05
Commercial	\$ 21,242,803	\$ 15,932,108	\$ 15,189,741	\$ 14,758,024	\$ 14,635,632
Real Estate- Mortgage	34,446,585	26,044,404	26,507,512	26,843,415	27,439,772
Real Estate- Construction	12,289,921	8,435,465	7,904,240	7,536,236	6,792,219
Equity Lines of Credit	9,310,224	5,191,498	5,378,723	5,486,959	5,063,023
Indirect Lending	3,141,590	1,336,290	1,329,697	1,334,345	1,371,162
Other Consumer	2,627,497	2,171,590	2,180,082	2,232,533	2,745,244
	<b>\$ 83,058,620</b>	<b>\$ 59,111,355</b>	<b>\$ 58,489,995</b>	<b>\$ 58,191,512</b>	<b>\$ 58,047,052</b>

(1) Regions Financial Corporation and AmSouth Bancorporation merged effective November 4, 2006. The merger was accounted for as a purchase of AmSouth by Regions. As a result, periods ending prior to November 4, 2006, reflect legacy Regions data on a stand-alone basis.

- \$1.6 billion of loans were reclassified to held-for-sale in 4Q06 in anticipation of the divestiture of branches in 1Q07.
- The AmSouth transaction added \$36.5 billion of loans in 4Q06.
- The strongest combined linked-quarter loan demand was in the mid-Atlantic, Florida and West regions and in commercial lending.

**Deposits (1)**

<b>Deposit Portfolio - Period End Data</b>						
<i>(\$ amounts in thousands)</i>						
	12/31/06	9/30/06	6/30/06	3/31/06	12/31/05	
Interest-Free Deposits	\$ 20,175,482	\$ 12,570,051	\$ 13,158,707	\$ 13,328,143	\$ 13,699,038	
Interest-Bearing Checking	8,950,404	1,938,261	2,180,298	2,490,444	2,756,556	
Savings	3,882,533	2,908,930	3,081,192	3,182,650	3,037,687	
Money Market	28,470,667	20,458,363	19,788,991	19,897,135	19,856,890	
Divestitures - Interest-Free	533,295	-	-	-	-	
Divestitures - Other Low-Cost	1,177,671	-	-	-	-	
Total Low-Cost Deposits	63,190,052	37,875,605	38,209,188	38,898,372	39,350,171	
CD's < \$100K	15,104,520	11,055,918	11,063,668	10,874,303	10,201,745	
CD's > \$100K	12,776,086	9,124,935	7,918,736	7,480,764	7,412,359	
Other Time Deposits	9,096,910	4,113,087	4,213,234	3,266,040	3,414,092	
Divestitures - Time	1,060,401	-	-	-	-	
	<b>\$ 101,227,969</b>	<b>\$ 62,169,545</b>	<b>\$ 61,404,826</b>	<b>\$ 60,519,479</b>	<b>\$ 60,378,367</b>	

<b>Deposit Portfolio - Average Balances</b>						
<i>(\$ amounts in thousands)</i>						
	4Q06	3Q06	2Q06	1Q06	4Q05	
Interest-Free Deposits	\$ 17,175,508	\$ 12,482,899	\$ 12,882,910	\$ 12,926,748	\$ 12,871,222	
Interest-Bearing Checking	6,157,620	1,917,648	2,158,034	2,272,440	2,530,011	
Savings	3,572,985	2,988,548	3,155,230	3,100,922	2,976,913	
Money Market	25,878,174	20,144,394	19,759,267	19,873,074	19,522,227	
Divestitures - interest-free	359,957	-	-	-	-	
Divestitures - Other Low-Cost	763,754	-	-	-	-	
Total Low-Cost Deposits	53,907,998	37,533,489	37,955,441	38,173,184	37,900,373	
CD's < \$100K	13,758,120	11,068,375	11,022,675	10,714,595	10,429,499	
CD's > \$100K	12,045,318	8,297,133	7,650,843	7,383,192	7,873,050	
Other Time Deposits	6,852,448	4,807,164	4,045,002	3,727,759	3,652,025	
Divestitures - Time	686,891	-	-	-	-	
	<b>\$ 87,250,775</b>	<b>\$ 61,706,161</b>	<b>\$ 60,673,961</b>	<b>\$ 59,998,730</b>	<b>\$ 59,854,947</b>	

(1) Regions Financial Corporation and AmSouth Bancorporation merged effective November 4, 2006. The merger was accounted for as a purchase of AmSouth by Regions. As a result, periods ending prior to November 4, 2006, reflect legacy Regions data on a stand-alone basis.

- \$2.8 billion of deposits were reclassified to held-for-sale in 4Q06 in anticipation of the divestiture of branches in 1Q07.
- The AmSouth transaction added \$37.6 billion of deposits in 4Q06.
- On a combined basis, the strongest category of linked-quarter growth was in money market accounts, followed by CD's; the deposit mix shift from low-cost transaction accounts to higher cost CD's appear to be slowing versus previous periods.

**Operating Performance (1)**

	<b>Revenue</b>				
<i>(\$ amounts in thousands)</i>	<b>4Q06</b>	<b>3Q06</b>	<b>2Q06</b>	<b>1Q06</b>	<b>4Q05</b>
Net Interest Income (TE basis)	<b>\$ 1,104,421</b>	\$ 806,260	\$ 791,268	\$ 766,682	\$ 748,642
Non-Interest Income (excl. sec. gains/ losses)	<b>635,347</b>	457,845	490,683	470,106	440,394
Total Revenue (TE basis)	<b>\$ 1,739,768</b>	\$ 1,264,105	\$ 1,281,951	\$ 1,236,788	\$ 1,189,036

(1) Regions Financial Corporation and AmSouth Bancorporation merged effective November 4, 2006. The merger was accounted for as a purchase of AmSouth by Regions. As a result, periods ending prior to November 4, 2006, reflect legacy Regions data on a stand-alone basis.

- Net interest margin was 4.10% in 4Q06 and was impacted by partial quarter AmSouth results, the sale of \$5 billion of securities in early November, and purchase accounting adjustments.
- Regions is positioned slightly asset-sensitive at December 31, 2006.

**Non-Interest Income and Expense (1)**

<b>Non-interest Income and Expense</b>					
<b>Non-interest Income</b>					
<i>(\$ amounts in thousands)</i>	4Q06	3Q06	2Q06	1Q06	4Q05
Brokerage and investment banking	\$ 207,676	\$ 144,093	\$ 158,865	\$ 166,793	\$ 140,255
Service charges on deposit accounts	195,838	150,078	147,272	128,529	129,992
Trust department income	43,531	36,366	35,730	34,555	30,847
Mortgage servicing & origination fees	32,907	33,296	34,270	32,698	33,651
Securities gains (losses), net	(20)	8,104	28	11	(17,609)
Insurance premiums & commissions	21,556	21,330	21,267	21,394	18,616
Gain on sale of mortgage loans	326	6,155	24,255	12,351	21,623
Derivative income	12,748	9,595	9,122	6,194	6,434
Other	120,765	56,932	59,902	67,592	58,976
Total non-interest income	<b>\$ 635,327</b>	<b>\$ 465,949</b>	<b>\$ 490,711</b>	<b>\$ 470,117</b>	<b>\$ 422,785</b>

<b>Non-interest Expense*</b>					
<i>(\$ amounts in thousands)</i>	4Q06	3Q06	2Q06	1Q06	4Q05
Salaries and employee benefits	\$ 555,133	\$ 413,681	\$ 441,475	\$ 447,008	\$ 409,242
Net occupancy expense	88,833	54,012	53,772	59,888	55,548
Furniture and equipment expense	60,006	33,838	33,942	34,083	34,130
Impairment (recapture) of MSR's	27,000	8,000	(10,000)	(9,000)	(18,000)
Amortization of core deposit intangible	32,890	10,073	10,370	10,724	11,039
Amortization of MSR's	19,406	16,592	16,263	18,303	17,890
(Gain) loss on early extinguishment of debt	-	(547)	(1,089)	8,168	-
Other	245,925	177,923	181,780	186,920	197,244
Total non-interest expense, excluding merger-related charges	<b>1,029,193</b>	<b>713,572</b>	<b>726,513</b>	<b>756,094</b>	<b>707,093</b>
Merger-related charges	87,638	1,021	-	-	46,943
Total non-interest expense	<b>\$ 1,116,831</b>	<b>\$ 714,593</b>	<b>\$ 726,513</b>	<b>\$ 756,094</b>	<b>\$ 754,036</b>

(1) Regions Financial Corporation and AmSouth Bancorporation merged effective November 4, 2006. The merger was accounted for as a purchase of AmSouth by Regions. As a result, periods ending prior to November 4, 2006, reflect legacy Regions data on a stand-alone basis.

\* Individual expense categories are presented excluding merger-related charges, which are presented in a separate line item in the above table.

- Linked-quarter and year-over-year increases in the tables above are primarily a result of the addition of approximately two months of activity from the AmSouth franchise in the fourth quarter.
- Gain on sale of mortgage loans declined as a result of early payment defaults on sold loans at EquiFirst.
- MSR impairment of \$27 million was recognized as a result of declining mortgage rates during 4Q06.
- Cost saves of \$6.6 million are reflected in 4Q06 non-interest expense.
- The \$87.6 million of "Merger-related charges" above are primarily salaries and employee benefits (\$66MM) and other non-interest expense (\$18MM). See page 3 for individual expense categories including merger-related charges.

**Morgan Keegan (1)**

Morgan Keegan									
Summary Income Statement						12/31/2006 vs. 9/30/06*		12/31/2006 vs. 12/31/2005	
(\$ amounts in thousands)	4Q06	3Q06	2Q06	1Q06	4Q05				
<b>Revenues:</b>									
Commissions	\$ 72,645	\$ 56,194	\$ 56,960	\$ 57,073	\$ 51,619	\$ 16,451	117.1%	\$ 21,026	40.7%
Principal transactions	42,691	38,381	32,996	41,951	34,752	4,310	44.9%	7,939	22.8%
Investment banking	42,441	25,767	41,623	43,027	25,894	16,674	258.8%	16,547	63.9%
Interest	40,186	36,721	32,511	30,327	24,735	3,465	37.7%	15,451	62.5%
Trust fees and services	44,189	29,966	29,014	28,046	24,680	14,223	189.9%	19,509	79.0%
Investment advisory	48,713	35,425	36,151	28,885	37,557	13,288	150.0%	11,156	29.7%
Other	16,614	8,062	9,473	22,639	11,790	8,552	424.3%	4,824	40.9%
Total revenues	307,479	230,516	238,728	251,948	211,027	76,963	133.5%	96,452	45.7%
<b>Expenses:</b>									
Interest expense	24,996	21,966	21,999	18,085	16,855	3,030	55.2%	8,141	48.3%
Non-interest expense	207,314	160,679	165,568	169,352	152,280	46,635	116.1%	55,034	36.1%
Total expenses	232,310	182,645	187,567	187,437	169,135	49,665	108.8%	63,175	37.4%
Income before income taxes	75,169	47,872	51,161	64,511	41,892	27,297	228.1%	33,277	79.4%
Income taxes	28,230	17,251	18,442	23,703	14,942	10,979	254.6%	13,288	88.9%
Net income	\$ 46,939	\$ 30,621	\$ 32,719	\$ 40,808	\$ 26,950	\$ 16,318	213.2%	\$ 19,989	74.2%

**Breakout of Revenue by Division**

(\$ amounts in thousands)	Private Client	Fixed-income Capital Markets	Equity Capital Markets	Regions MK Trust	Asset Management	Interest & Other
<b>Three months ended</b>						
<b>December 31, 2006:</b>						
\$ amount of revenue	\$ 89,769	\$ 50,916	\$ 32,822	\$ 44,189	\$ 44,131	\$ 45,652
% of gross revenue	29.2%	16.6%	10.7%	14.4%	14.3%	14.8%
<b>Three months ended</b>						
<b>September 30, 2006:</b>						
\$ amount of revenue	\$ 67,271	\$ 43,292	\$ 18,093	\$ 29,967	\$ 37,003	\$ 34,890
% of gross revenue	29.2%	18.8%	7.8%	13.0%	16.1%	15.1%
<b>Year ended</b>						
<b>December 31, 2006</b>						
\$ amount of revenue	\$ 305,098	\$ 187,425	\$ 103,282	\$ 131,218	\$ 149,511	\$ 152,137
% of gross revenue	29.7%	18.2%	10.0%	12.8%	14.5%	14.8%
<b>Year ended</b>						
<b>December 31, 2005</b>						
\$ amount of revenue	\$ 248,397	\$ 160,062	\$ 86,478	\$ 103,225	\$ 125,410	\$ 86,681
% of gross revenue	30.7%	19.8%	10.7%	12.7%	15.5%	10.6%

(1) Regions Financial Corporation and AmSouth Bancorporation merged effective November 4, 2006. The merger was accounted for as a purchase of AmSouth by Regions. As a result, periods ending prior to November 4, 2006, reflect legacy Regions data on a stand-alone basis.

\*Linked quarter percentage changes are presented on an annualized basis and are influenced in many cases by the AmSouth acquisition. See notes below and on page 13 for more details.

- Included in Morgan Keegan's 4Q06 results are approximately \$30 million in revenues and \$7 million in net income related to activity in AmSouth Investment Services (AIS) and AmSouth's trust and asset management divisions.
- Commissions revenue increased 29% linked-quarter, primarily as a result of \$10 million in AmSouth-related revenues as well as increased levels of retail customer confidence resulting in more equity and fixed income trading activity during the quarter.
- Principal transactions revenue increased 11% linked-quarter, primarily as a result of higher levels of fixed income sales and trading activity, particularly with respect to the deals managed by Morgan Keegan.
- Investment banking and the Fixed Income Capital Markets and Equity Capital Markets lines of business all experienced significant linked-quarter increases in revenues as a result of seasonally higher levels of deal activity in the fourth quarter.
- Interest revenues increased \$3.5 million linked quarter due to a larger inventory position during the majority of the quarter.
- Trust revenues increased 47% linked-quarter due to the addition of AmSouth's trust business, which contributed approximately \$15.6 million in revenue.

**Morgan Keegan (cont.)**

- Investment advisory and asset management revenues were positively impacted during 4Q06 by the addition of AmSouth's asset management business which contributed approximately \$2 million in revenues, but increased primarily as a result of a 10% increase in the market value of assets under management and new asset growth.
- Other revenues include \$2.6 million of revenue from AIS in 4Q06. The remainder of the linked quarter increase is primarily a result of billings on certain accounts such as IRAs that are collected in the fourth quarter of each year.
- 1Q06 other revenues includes a \$13.1 million pre-tax gain related to the swap of NYSE seats in exchange for stock.
- Non-interest expense increased \$46.6 million linked-quarter as a result of the addition of approximately \$19 million in AmSouth-related expenses and due to increases in salaries and commissions expense in direct correlation with increased revenues.
- Private client revenues increased \$22.5 million linked-quarter due primarily to the addition of AIS and increased levels of equity and fixed income trading activity in association with retail customer confidence during the quarter.
- 17,300 new accounts were opened in 4Q06 compared to 20,000 in 3Q06 and 19,000 in 4Q05.
- Total customer assets were \$76.2 billion at December 31, 2006, including approximately \$7 billion added in connection to the AmSouth merger, compared to \$65.9 billion at September 30, 2006 and \$56.3 billion at December 31, 2005.

**Mortgage Operations (1)**

Mortgage Operations									
As of and for Quarter Ended									
	12/31/06	9/30/06	6/30/06	3/31/06	12/31/05	12/31/2006 vs. 9/30/06*		12/31/2006 vs. 12/31/2005	
Single family mortgage production (millions):									
Regions Mortgage	\$ 1,596	\$ 1,253	\$ 1,440	\$ 1,345	\$ 1,459	\$ 343	109.5%	\$ 137	9.4%
EquiFirst	3,276	2,754	2,966	1,749	2,203	522	75.8%	1,073	48.7%
Total	\$ 4,872	\$ 4,007	\$ 4,406	\$ 3,094	\$ 3,662	\$ 865	86.3%	\$ 1,210	33.0%
Gain(loss) on sale of mortgage loans (thous.):									
Regions Mortgage	\$ 1,310	\$ 2,956	\$ 3,824	\$ 2,732	\$ 4,653	\$ (1,646)	-222.7%	\$ (3,343)	-71.8%
EquiFirst	(984)	3,199	20,431	9,619	16,970	(4,183)	-523.0%	(17,954)	-105.8%
Total	\$ 326	\$ 6,155	\$ 24,255	\$ 12,351	\$ 21,623	\$ (5,829)	-378.8%	\$ (21,297)	-98.5%
Servicing portfolio	\$43.0 Billion	\$36.0 Billion	\$36.4 Billion	\$36.7 Billion	\$37.2 Billion				
Capitalized mortgage servicing rights (net)	\$374.9 MM	\$407.7 MM	\$420.3 MM	\$413.7 MM	\$412 MM				
MSR valuation allowance	\$41.4 MM	\$ 14.4 MM	\$6.4 MM	\$20.5 MM	\$29.5 MM				
MSR capitalization rate - total portfolio	87 bps.	113 bps.	115 bps.	113 bps.	111 bps.				
MSR capitalization rate - 3rd party servicing	134 bps.	145 bps.	148 bps.	144 bps.	142 bps.				
New servicing capitalization rate	124 bps.	125 bps.	117 bps.	104 bps.	116 bps.				

(1) Regions Financial Corporation and AmSouth Bancorporation merged effective November 4, 2006. The merger was accounted for as a purchase of AmSouth by Regions. As a result, periods ending prior to November 4, 2006, reflect legacy Regions data on a stand-alone basis.

\*Linked quarter percentage changes are presented on an annualized basis

- Regions Mortgage originates conforming mortgage loans and services loans originated in-house and by others.
- EquiFirst originates non-conforming mortgage loans primarily through a broker network and sells them servicing-released, on a whole loan basis, at a premium.
- Included in 4Q06 Regions Mortgage origination volume is \$469 million related to AmSouth Mortgage.
- Regions Mortgage recorded \$27 million (equates to \$0.03 per diluted share after-tax) of MSR impairment in 4Q06 as a result of declining mortgage rates during the quarter.
- EquiFirst experienced record production volume in 4Q06.
- EquiFirst's gross gain on sale premiums approximated 2.1% in 4Q06, compared to 2.0% in 3Q06.
- EquiFirst's gain on sale of mortgage loans declined linked quarter primarily due to early payment defaults and lower sales volume in 4Q06 compared to 3Q06.

**Credit Quality (1)**

(\$ in thousands)	Credit Quality					YTD 12/31/06	YTD 12/31/05
	12/31/06	As of and for Quarter Ended			12/31/05		
		9/30/06	6/30/06	3/31/06	12/31/05		
Allowance for credit losses	\$ 1,107,788	\$ 778,465	\$ 777,783	\$ 782,368	\$ 783,536		
Provision for credit losses	\$ 60,000	\$ 25,000	\$ 30,000	\$ 27,500	\$ 40,000	\$ 142,500	\$ 165,000
Net loans charged off:							
Commercial	\$ 24,648	\$ 16,723	\$ 21,989	\$ 12,286	\$ 25,129	\$ 75,646	\$ 77,223
Real Estate - Mortgage	15,890	6,575	6,165	10,249	6,755	38,879	34,436
Real Estate - Construction	(223)	381	115	(40)	264	233	263
Consumer	15,834	639	2,537	6,173	8,259	25,183	24,263
Total	\$ 56,149	\$ 24,318	\$ 30,806	\$ 28,668	\$ 40,407	\$ 139,941	\$ 136,185
Net loan charge-offs as a % of average loans, annualized							
Commercial	0.46%	0.42%	0.58%	0.34%	0.68%	0.45%	0.52%
Real Estate - Mortgage	0.18%	0.10%	0.09%	0.15%	0.10%	0.14%	0.12%
Real Estate - Construction	-0.01%	0.02%	0.01%	0.00%	0.02%	0.00%	0.00%
Consumer	0.42%	0.03%	0.11%	0.28%	0.36%	0.24%	0.27%
Total	0.27%	0.16%	0.21%	0.20%	0.28%	0.22%	0.23%
Non-performing assets (NPAs):							
Non-accrual loans	\$ 306,471	\$ 246,728	\$ 264,284	\$ 343,880	\$ 341,177		
Renegotiated loans	-	103	107	190	241		
Foreclosed properties	72,663	65,190	55,495	64,999	65,459		
Total	\$ 379,134	\$ 312,021	\$ 319,886	\$ 409,069	\$ 406,877		
Loans past due > 90 days	\$ 143,868	\$ 78,785	\$ 78,096	\$ 92,766	\$ 87,523		
Allowance for credit losses as a percentage of loans, net of unearned income	1.17%	NA	NA	NA	NA		
Allowance for loan losses as a percentage of loans, net of unearned income	1.12%	1.31%	1.32%	1.34%	1.34%		
Total NPAs (excluding loans 90 days past due) as a percentage of loans and other real estate	0.40%	0.52%	0.54%	0.70%	0.70%		
Total NPAs (including loans 90 days past due) as a percentage of loans and other real estate	0.55%	0.66%	0.67%	0.86%	0.85%		
Katrina update as of December 31, 2006:							
Loan exposure	\$ 1,008,263						
Loans on non-accrual	\$ 9,695						
Past due loans > 90 days	\$ 1,191						
Net loans charged-off in 4Q	\$ 1,592						
Remaining Katrina-specific allowance	\$ 60,470						

(1) Regions Financial Corporation and AmSouth Bancorporation merged effective November 4, 2006. The merger was accounted for as a purchase of AmSouth by Regions. As a result, periods ending prior to November 4, 2006, reflect legacy Regions data on a stand-alone basis.

- Net charge-offs totaled \$56 million, or an annualized 0.27 percent of average loans, and included approximately \$1.6 million of net charge-offs from the Katrina-related portfolio.
- Also included in net charge-offs is approximately \$11 million of charge-offs resulting from conforming Regions' and AmSouth's credit policies
- Regions' December 31, 2006, allowance for credit losses includes approximately \$60 million of reserves identified for the Katrina portfolio (representing combined Regions and AmSouth reserves).
- Regions' December 31, 2006 allowance for credit losses includes approximately \$52 million of reserves related to unfunded commitments and standby letters of credit.
- Regions sold approximately \$28.5 million of non-performing loans during 4Q06.
- Regions' non-performing loan portfolio is composed primarily of small to medium-sized loans that are diversified geographically throughout its franchise.

**Additional Financial and Operational Data (1)**

	12/31/06	9/30/06	6/30/06	3/31/06	12/31/05
FTE employees	35,904	24,277	24,457	24,928	25,326
Authorized shares remaining under buyback program (see note below)	13.9 MM	18.9 MM	20.3 MM	23.9 MM	27.6 MM
Full service offices	1,956	1,299	1,304	1,312	1,311
ATM's	2,664	1,549	1,564	1,586	1,585
Morgan Keegan offices	319	328	321	301	281

(1) Regions Financial Corporation and AmSouth Bancorporation merged effective November 4, 2006. The merger was accounted for as a purchase of AmSouth by Regions. As a result, periods ending prior to November 4, 2006, reflect legacy Regions data on a stand-alone basis

- During the fourth quarter, 5.0 million shares were repurchased at an average cost of \$37.00 per share.
- On January 18, 2007, the Regions Board of Directors approved a new 50 million share repurchase authorization.

**Merger-Related Items**

(Pre-tax dollars in thousands)

	Total	Income Statement Effect	Excess Purchase Price
Year to date 2006	\$ 274,036	\$ 88,658	\$ 185,378

### Reconciliation to GAAP Financial Measures

The table below presents computations of earnings and certain other financial measures excluding merger charges (non-GAAP). Merger charges are included in financial results presented in accordance with generally accepted accounting principles (GAAP). Non-GAAP financial measures have inherent limitations, are not required to be uniformly applied, and are not audited. Regions believes the exclusion of merger charges in expressing earnings and certain other financial measures provides a meaningful base for period-to-period comparisons. See table below for computations of earnings and certain other financial measures excluding merger charges and corresponding reconciliation to GAAP financial measures for the periods presented.

	As of and for Quarter Ended		Fiscal Year Ended	
	12/31/06	12/31/05	12/31/06	12/31/05
<b>INCOME</b>				
Pre-tax income (GAAP)	\$ 528,977	\$ 354,662	\$ 1,959,015	\$ 1,422,095
Merger-related charges, pre-tax**				
Salaries and employee benefits	65,655	27,723	65,693	73,556
Net occupancy expense	3,473	1,010	3,473	5,053
Furniture and equipment expense	427	41	427	536
Other	18,083	18,169	19,066	89,636
Total merger-related charges, pre-tax	87,638	46,943	88,659	168,781
Pre-tax income excluding merger charges (non-GAAP)	\$ 616,615	\$ 401,605	\$ 2,047,674	\$ 1,590,876
Net income (GAAP)	A \$ 361,551	\$ 253,996	\$ 1,353,145	\$ 1,000,544
Merger-related charges, net of tax**				
Net income excluding merger charges (non-GAAP)	B \$ 420,850	\$ 283,387	\$ 1,413,465	\$ 1,110,232
Weighted average diluted shares	C 646,372	461,651	506,989	466,183
Earnings per share, excluding merger charges - diluted	B/C \$ 0.65	\$ 0.61	\$ 2.79	\$ 2.38
<b>RETURN ON AVERAGE ASSETS</b>				
Average assets (GAAP)	D \$ 124,577,836	\$ 85,143,955	\$ 95,800,277	\$ 85,096,467
Return on average assets (GAAP)*	A/D 1.15%	1.18%	1.41%	1.18%
Return on average assets, ex. merger charges* (non-GAAP)	B/D 1.34%	1.32%	1.48%	1.30%
<b>RETURN ON AVERAGE EQUITY</b>				
Average equity (GAAP)	E \$ 17,185,928	\$ 10,556,548	\$ 12,368,632	\$ 10,677,831
Average intangible assets (GAAP)	9,862,619	5,346,617	6,449,657	5,356,932
Average tangible equity	F \$ 7,323,309	\$ 5,209,931	\$ 5,918,975	\$ 5,320,899
Return on average equity (GAAP)*	A/E 8.35%	9.55%	10.94%	9.37%
Return on average tangible equity*	A/F 19.59%	19.34%	22.86%	18.80%
Return on average equity, ex. merger charges* (non-GAAP)	B/E 9.72%	10.65%	11.43%	10.40%
Return on average tangible equity, ex. merger charges* (non-GAAP)	B/F 22.80%	21.58%	23.88%	20.87%

\* Income statement amounts have been annualized in calculation

\*\* 2005 merger charges relate to the Union Planters acquisition

### **Forward-Looking Statements**

This financial supplement to Regions' 4th quarter and year end 2006 earnings includes forward-looking statements about Regions Financial Corporation within the meaning of the Private Securities Litigation Reform Act of 1995. Statements that are not historical or current facts, including statements about beliefs and expectations, are forward-looking statements. The words "believe," "expect," "anticipate," "project," and similar expressions often signify forward-looking statements. Such statements involve inherent risks and uncertainties. Regions cautions that actual results and events could differ materially from expectations expressed in forward-looking statements as a result of factors such as possible changes in economic and business conditions and interest rates; Regions' ability to integrate the recent combination with AmSouth Bancorporation and to retain and attract customers; the effects of geopolitical instability and risks such as terrorist attacks; possible changes in laws and regulations and governmental monetary and fiscal policies; the cost and other effects of legal and administrative cases and similar contingencies; possible changes in the credit worthiness of customers and the possible impairment of collectibility of loans, increased competition from both banks and non-banks, and effects of critical accounting policies and judgments. For discussion of these and other risks that may cause actual results to differ from expectations, please look under the caption "Forward Looking Statements" in Regions' Annual Report on Form 10-K for the year ended December 31, 2005, and subsequent quarterly reports on Form 10-Q, all as on file with the Securities and Exchange Commission. You should not place undue reliance on any forward-looking statements, which speak only as of the date made. Regions assumes no obligation to update or revise any forward-looking statements that are made from time to time.

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